



Utah Counties Insurance Pool
Supporting Your Goals Since 1992

**BOARD OF TRUSTEES
TELEPHONIC CONFERENCE**

Wednesday, July 23, 2008
2:00 p.m.

To Participate Dial: **1-888-447-7153**

Enter Passcode: **8401528** followed by #

AGENDA

Please Read and Be Prepared to Discuss: Letter of Intent, Draft Lease, Letter from PEHP, Proposal from GBS

Call to Order		Lynn Lemon
Review of Board Members Absent		
ACTION		
1	Approve Letter of Intent Between Western Ag Credit and UCIP	Johnnie Miller
2	Review Draft Lease Agreement Between Western Ag Credit and UCIP	Johnnie Miller
3	Review Letter from PEHP	Lynn Lemon
4	Consider Approval of GBS Proposal/Contract	Johnnie Miller
Other Business		
Adjourn		



Utah Counties Insurance Pool
Supporting Your Goals Since 1992

BOARD OF TRUSTEES TELEPHONIC CONFERENCE

MINUTES

July 23, 2008, 2:00 p.m.

BOARD MEMBERS PARTICIPATING

Lynn Lemon, *President*, Cache County Executive
Kay Blackwell, *Vice President*, Piute County Commissioner
Steve Wall, *Secretary-Treasurer*, Sevier County Clerk-Auditor
Bruce Adams, San Juan County Commissioner
Jerry Hess, Davis County Deputy Attorney
Karla Johnson, Kane County Clerk-Auditor
Wayne Smith, Iron County Commissioner
Steve White, Utah County Commissioner

BOARD MEMBERS ABSENT

Ken Bischoff, Weber County Commissioner
Brad Dee, Weber County Human Resources Director
Jim Eardley, Washington County Commissioner
Kent Sundberg, Utah County Deputy Attorney

OTHERS PARTICIPATING

Johnnie Miller, UCIP Chief Executive Officer
Sonya White, UCIP Manager of Administration

Call to Order

Lynn Lemon called this telephonic conference of the Utah Counties Insurance Pool Board of Trustees to order at 2:00 p.m. on July 23, 2008.

Review of Board Members Absent

Item was not discussed.

Approve Letter of Intent Between Western Ag Credit and UCIP

The Letter of Intent was previously sent to the Board of Trustees for review (see attachment number one). Jerry Hess explained that UCIP is subject to GRAMA; therefore, the contents of the Letter of Intent cannot be *confidential* as written in 7a. Steve Wall made a motion to approve the Letter of Intent between Western Ag Credit and the Utah Counties Insurance Pool with a commencement date to coincide with the termination of the current lease UCIP has with Property Management, but in no event shall the commencement date occur before December 1, 2008. Karla Johnson seconded the motion, which passed. Wayne Smith abstained. Jerry Hess made a motion that the floor plan must be agreed to prior to the signing of the Letter of Intent. Kay Blackwell seconded the motion, which passed. Wayne Smith abstained.

Review Draft Lease Agreement Between Western Ag Credit and UCIP

The draft Lease Agreement was previously sent to the Board of Trustees for review (see attachment number two). Johnnie Miller explained that since the Board has approved the Letter of Intent with the required changes, the lease between Western Ag and UCIP does not need to be finalized for a couple of months. Mark Brady and Johnnie will request the changes to the Term of Commencement to coincide with UCIP's current lease agreement. The Board also requested language to be included to provide justification of Additional Rent for Extra Common Operating Expenses of \$6.00 per square foot and that the term *general maintenance* is defined in section 3.3. Johnnie and Mark will continue to work on revisions to the Agreement for a draft to be presented to the Board.

Review Letter from PEHP

The Board of Trustees was previously sent a copy of the letter from Public Employees Health Program (PEHP) to Johnnie Miller, Utah Counties Insurance Pool, dated July 11, 2008, for review (see attachment number three). Johnnie explained that PEHP's legal counsel has now determined that UCIP will not be able to use allocated reserves accumulated by UCIP participating counties for the formation of a separate risk pool from the Local Governments Risk Pool (LGRP). If PEHP maintains this position, participating counties will need to contribute reserves to start their own Pool.

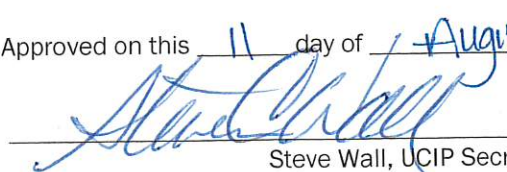
Consider Approval of GBS Proposal/Contract

A copy of the proposal for insurance consulting services from GBS Benefits was previously sent to the Board of Trustees for review (see attachment number four). Johnnie Miller explained that this proposal was provided to show the services available to assist UCIP in forming its own Employee Benefits Pool. The consensus of the Board of Trustees was to conduct a formal RFP for Brokerage Services for a program start-up of January 1, 2010; acceptance of GBS Benefits proposal was considered to be premature.

Other Business

The UCIP owned property located at 10883 South 700 East in Sandy has been listed for sale through Caldwell Banker.

Approved on this 11 day of August 2008


Steve Wall, UCIP Secretary-Treasurer

LETTER OF INTENT

THIS LETTER OF INTENT (the "LOI") dated this 23rd day of July, 2008, evidences the mutual intent with respect to the material terms on which WESTERN AGCREDIT, FLCA (hereinafter "Landlord") will lease to UTAH COUNTIES INSURANCE POOL (hereinafter "Tenant") approximately 7,299 square feet of rentable office space located on the "Garden Level" of the office building situated at 10980 South Jordan Gateway, South Jordan, Utah (the "Premises"), on the terms and conditions hereinafter set forth.

1. Type of Transaction. Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord the Premises for a period of seven (7) years.
2. Amount of Rent. The basic Rent to be paid by tenant to Landlord shall be \$17.00 per rentable square foot of the Premises. The amount of Rent shall be increased annually commencing on the third anniversary of the Commencement Date of the Lease at the rate of 3% per annum. Landlord shall waive the rent payable for the first two months following the Commencement Date.
3. Construction of Improvements. Landlord shall construct improvements upon the Premises pursuant to the plans and specifications proposed by Tenant and approved by Landlord, with a maximum tenant allowance for said improvements in the amount of \$50 per square foot of net usable space. The Commencement Date of the Lease shall be the earlier of the date upon which the Premises are ready for occupancy, or the date upon which Tenant takes occupancy of the Premises. In no event shall the Commencement Date occur before October 1, 2008.
4. Common Operating Expenses. Built into the Rent amount is an estimate of the annual Common Operating Expenses for the Premises of no more than \$6.00 per rentable square foot. In the event that the actual costs for operating the office building proportionate to the Premises exceeds \$6.00 per square foot, Tenant shall pay to Landlord a proportionate share of such extra common operating expenses as the Premises bears to the entire rentable space of the office building. For purposes of this calculation, Common Operating expenses include utilities (other than telephone and internet), real estate taxes, Landlord's fire and casualty insurance, and general building maintenance.
5. Parking. Tenant shall have access to the existing parking spaces that will be shared between Landlord and Tenant. In consideration of Tenant leasing the full "Garden Level", Landlord shall construct at least twenty (20) parking spaces additional to those currently existing.
6. Definitive Agreement. Landlord and Tenant shall negotiate and execute an Office Lease Agreement which embodies the terms and conditions in this LOI (collectively the "Definitive Agreement") and containing such representations, warranties, covenants and conditions as shall be agreed upon between Landlord and Tenant by a date not more than thirty (30) days after the execution of this LOI by all of the parties. Tenant acknowledges that based upon this preliminary agreement to the basic terms set forth in this Letter of intent, Landlord will immediately employ significant resources to prepare the office building and commence construction of the tenant improvements therein.

7. Miscellaneous.

- a. Subject to each parties' disclosure obligations under federal securities laws and in accordance with the advice of respective counsel, and except as otherwise required by law, the parties agree to keep this LOI and its contents confidential and not disclose the same to any third party (except the parties' Representatives) without the written consent of the other party. With respect to information provided in connection with and relative to this transaction, the parties agree to keep all such information confidential which is not in the public domain and to return all originals and copies of any such written information to the respective owner in the event the negotiations are abandoned.
- b. Each party shall bear its own expenses in connection with the implementation of this LOI regardless of whether the Definitive Agreement is executed.

WHEREFORE, the parties have executed this LOI effective the date and day set forth herein above.

WESTERN AGCREDIT, FLCA

By: Richard Weathered

Its: President

UTAH COUNTIES INSURANCE POOL

By: Johnnie R. Miller

Its: Chief Executive Officer

Utah Counties Insurance Pool

Office Space Costs October 2008 to March 2009

Worst Case Scenario-Lease with Western Ag Commences October 1, 2008 and 1st Community unable to rent space prior to end of lease.

4th Quarter 2008				
<u>Month</u>	<u>1st Community</u>	<u>Western Ag</u>	<u>Total</u>	
October	\$5,894.42	\$8,616.88	\$14,511.30	
November	\$5,894.42	\$0.00	\$5,894.42	
December	\$5,894.42	\$8,616.88	\$14,511.30	
Quarter Total			\$34,917.01	
<hr/>				
Current Budget =		\$17,683.26	Over Budget=	\$17,233.75

1st Quarter 2009				
<u>Month</u>	<u>1st Community</u>	<u>Western Ag</u>	<u>Total</u>	
January	\$6,071.25	\$8,616.88	\$14,688.13	
February	\$1,821.38	\$8,616.88	\$10,438.25	
March	\$0.00	\$8,616.88	\$8,616.88	
Quarter Total			\$33,743.25	

Total Cost for six month period is \$155,000 less than estimated costs for building project during same period.

Utah Counties Insurance Pool

Office Space Cost Comparison

Net Present Value Calculation

	Building	1st Comm	West Ag 1	West Ag 2	West Ag 3	
S/F	6500	3000	3500	4666	7299	
20 Year Payback	\$0	\$0	\$0	\$0	\$0	
Savings over 20 Years	\$1,172,332	\$1,172,332	\$1,172,332	\$1,172,332	\$1,172,332	
Savings over 28 Years	\$2,843,007	\$2,843,007	\$2,843,007	\$2,843,007	\$2,843,007	
Year	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
2008	771,972	771,972	70,733	70,733	70,733	70,733
2009	342,151	1,114,123	68,783	139,516	109,956	178,692
2010	173,237	1,287,360	66,950	206,466	79,875	291,236
2011	169,344	1,456,704	63,776	270,242	78,371	398,443
2012	168,032	1,624,736	62,075	332,317	76,891	503,627
2013	165,718	1,790,454	60,434	392,752	75,445	606,833
2014	164,580	1,955,034	59,230	451,982	73,942	707,982
2015	163,455	2,118,489	58,145	510,126	72,587	99,296
2016	161,946	2,280,436	57,025	567,152	71,189	904,662
2017	160,326	2,440,762	55,960	623,111	69,859	1,000,226
2018	136,901	2,577,662	54,868	677,979	68,497	1,093,926
2019	28,901	2,606,564	53,845	731,824	67,219	1,185,879
2020	28,344	2,634,907	52,806	784,630	65,922	1,276,058
2021	27,779	2,662,686	51,754	836,384	64,608	1,364,439
2022	27,262	2,689,949	50,792	887,175	63,408	1,451,178
2023	26,746	2,716,694	49,829	937,005	62,206	1,536,273
2024	26,231	2,742,925	48,870	985,874	61,008	1,619,729
2025	25,720	2,768,646	47,918	1,033,793	59,820	1,701,561
2026	25,276	2,793,922	47,092	1,080,884	58,788	1,781,981
2027	24,783	2,818,705	46,172	1,127,057	57,641	1,860,831
2028	24,302	2,843,007	45,276	1,172,332	56,522	1,938,150
	2,843,007		1,172,332		1,066,845	
					1,464,489	
						1,938,150

Utah Counties Insurance Pool

Office Space Cost Comparison

Actual Cost Calculation

	<u>Building</u>		<u>1st Comm</u>		<u>West Ag 1</u>		<u>West Ag 2</u>		<u>West Ag 3</u>	
S/F	6500		3000		3500		4666		7299	
20 Year PV Cost	\$2,843,007		\$1,172,332		\$1,066,845		\$1,464,489		\$1,938,150	
Savings over Current	(\$1,670,675)		\$0		\$105,487		(\$292,156)		(\$765,818)	
Savings Over Building	\$0		\$1,670,675		\$1,776,162		\$1,378,518		\$904,857	
Year	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
2008	771,972	771,972	70,733	70,733	70,733	70,733	70,733	70,733	70,733	70,733
2009	359,403	1,131,375	70,733	141,466	100,000	170,733	115,500	186,233	113,403	184,136
2010	191,000	1,322,375	72,251	213,717	61,800	232,533	88,065	274,298	124,083	308,219
2011	196,000	1,518,375	73,815	287,532	63,654	296,187	90,707	365,005	124,083	432,302
2012	204,170	1,722,545	75,425	362,958	65,564	361,751	93,428	458,433	127,805	560,107
2013	211,375	1,933,920	77,084	440,042	67,531	429,281	96,231	554,664	131,640	691,747
2014	220,616	2,154,536	79,397	519,439	69,556	498,838	99,118	653,782	135,589	827,336
2015	229,895	2,384,431	81,779	601,218	71,643	570,481	102,091	755,874	139,657	966,992
2016	239,212	2,623,642	84,232	685,450	73,792	644,273	105,154	861,028	143,846	1,110,838
2017	248,568	2,872,211	86,759	772,209	76,006	720,279	108,309	969,337	148,162	1,259,000
2018	222,965	3,095,176	89,362	861,571	78,286	798,566	111,558	1,080,895	152,606	1,411,606
2019	49,404	3,144,580	92,043	953,614	80,635	879,201	114,905	1,195,800	157,185	1,568,791
2020	50,886	3,195,466	94,804	1,048,418	83,054	962,255	118,352	1,314,152	161,900	1,730,691
2021	52,413	3,247,879	97,648	1,146,066	85,546	1,047,800	121,903	1,436,054	166,757	1,897,448
2022	53,985	3,301,864	100,578	1,246,643	88,112	1,135,912	125,560	1,561,614	171,760	2,069,208
2023	55,605	3,357,468	103,595	1,350,238	90,755	1,226,668	129,326	1,690,940	176,913	2,246,121
2024	57,273	3,414,741	106,703	1,456,941	93,478	1,320,146	133,206	1,824,146	182,220	2,428,341
2025	58,991	3,473,732	109,904	1,566,845	96,282	1,416,428	137,202	1,961,349	187,687	2,616,028
2026	60,761	3,534,493	113,201	1,680,046	99,171	1,515,599	141,318	2,102,667	193,317	2,809,345
2027	62,584	3,597,076	116,597	1,796,643	102,146	1,617,745	145,558	2,248,225	199,117	3,008,462
2028	64,461	3,661,537	120,095	1,916,738	105,210	1,722,956	149,925	2,398,150	205,090	3,213,552
	3,661,537		1,916,738		1,722,956		2,398,150		3,213,552	

OFFICE LEASE AGREEMENT

THIS OFFICE LEASE AGREEMENT (the "Lease") is made and entered into this day of _____, 2008, by and between Western AgCredit, FLCA (hereinafter referred to as "Landlord"), and Utah Counties Insurance Pool (hereinafter referred to as "Tenant").

W I T N E S S E T H:

In consideration of the rents, covenants and agreements hereinafter set forth, Landlord and Tenant mutually agree as follows:

ARTICLE I: PREMISES

Landlord hereby leases and demises to Tenant and Tenant hereby leases from Landlord approximately 7,299 square feet of rentable space on the "Garden Level" of the office building located at 10980 South, Jordan Gateway, South Jordan, Salt Lake County, Utah, 84095, and more particularly depicted on Exhibit "A" attached hereto and by this reference made a part hereof (hereinafter the "Property"), together with other improvements now or hereinafter located thereon and affixed thereto (hereinafter collectively "Improvements") and any and all privileges, easements, and appurtenances belonging thereto or granted herein. The Property and the Improvements are hereinafter collectively referred to as the "Premises".

ARTICLE II: TERM COMMENCEMENT

2.1 Term of Lease. This Lease shall be for a term of seven (7) years commencing on the Commencement Date and ending at 12:01 a.m. on the eighth anniversary of the Commencement Date. The Commencement Date shall be the earlier of (i) the date on which the Premises are "Ready for Occupancy" as defined in Section 9.2 below, or (ii) the date on which Tenant takes possession or commences use of the Premises for any purpose. In no event shall the Commencement Date occur before October 1, 2008. The Commencement Date shall be confirmed in writing as set forth in Section 9.2 hereof.

2.2 Lease Year. The term "Lease Year" as used in this Lease shall mean a period of twelve (12) consecutive calendar months during the term of this Lease. The first Lease Year shall begin on the Commencement Date if the Commencement Date occurs on the first day of a calendar month; if not, the first Lease Year shall begin on the first day of the calendar month next following the Commencement Date. Each succeeding Lease Year shall begin at the expiration of the immediately preceding Lease Year.

ARTICLE III: RENT

3.1 Monthly Rent. As monthly rent for the Premises, Tenant shall pay to Landlord on or before the first day of each calendar month during the term of this Lease the sum of \$_____, which is equal to Seventeen Dollars (\$17.00) per rentable square foot of the Premises per year (hereinafter the "Rent"). If the Commencement Date is not on the first day of the month, or if this Lease terminates on a day other than the last day of the month, the Rent shall be prorated for such fractional month or months, if any, during which this Lease commences or

terminates, at the then current rate. Notwithstanding the foregoing, the Rent for the first two months following the Commencement Date is hereby waived.

3.2 Annual Rent Increase. Each year of the Lease Term beginning on the third anniversary of the Commencement Date, the Rent shall be increased by three percent (3%) for the next succeeding twelve (12) months. The effect of this provision is to have no Rent increase for the first three years of the term of the Lease.

3.3 Additional Rent for Extra Common Operating Expenses. The Rent described in Section 3.1 above includes a credit of up to \$6.00 per square foot of rentable space of the Premises for Tenant's share of the Common Operating Expenses. Such Common Operating Expenses include the expected costs of the utilities (other than telephone and internet), real estate taxes, Landlord's casualty insurance and general maintenance obligations undertaken by Landlord in Articles VII, VIII, and X below. In addition to the Rent, Tenant shall pay all Common Operating Expenses actually incurred by Landlord for the Premises to the extent the same exceeds \$6.00 per square foot of rentable space. Such additional Rent shall be paid on a monthly basis within 15 days following written request and supporting documentation for same having been delivered by Landlord to Tenant.

ARTICLE IV: LATE CHARGES

If Tenant fails to pay any Rent when such Rent is due and payable in accordance with Section 3.1 of this Lease, Landlord, at Landlord's election, may assess and collect a late fee charge equal to ten percent (10%) of each payment of Rent not received within ten (10) days from the date such Rent payment is due.

ARTICLE V: SECURITY DEPOSIT

Concurrently with Tenant's execution of this Lease, Tenant shall deposit with Landlord the sum equivalent to one month's Rent under this Lease (hereinafter the "Security Deposit"). The Security Deposit shall be held by Landlord for the faithful performance by Tenant of all of the terms, covenants, and conditions of this Lease to be kept and performed by Tenant during the term of this Lease. If Tenant defaults with respect to any provision of this Lease, including but not limited to the provisions relating to the payment of Rent, and any costs, expenses, and charges payable under the provisions of this Lease, Landlord may, but shall not be obligated to use, apply or retain all or a part of the Security Deposit for the payment of any amount which Landlord may spend by reason of Tenant's default or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant's default. If any portion of the Security Deposit is so used or applied, Tenant shall, within ten (10) days after written demand, deposit with Landlord an amount sufficient to restore the Security Deposit to its original amount; and Tenant's failure to do so shall be a material breach of this Lease. Landlord shall not be required to keep the Security Deposit separate from Landlord's general funds, and Tenant shall not be entitled to interest on the Security Deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by Tenant, the Security Deposit or any balance thereof shall be returned to Tenant or, at Landlord's option, to the last permitted assignee of Tenant's interest under this Lease at the expiration of the term of this Lease and after Tenant or Tenant's permitted assignee has vacated the Premises. In the event of termination of Landlord's

interest in this Lease, Landlord shall transfer the Security Deposit to Landlord's successor in interest whereupon Tenant agrees to release Landlord from liability for the return of the Security Deposit or any accounting therefore.

ARTICLE VI: QUIET ENJOYMENT

Landlord hereby covenants to Tenant that, subject to Tenant's compliance with the terms and provisions of this Lease, Tenant shall peaceably and quietly hold and enjoy the full possession and use of the Premises during the term of this Lease.

ARTICLE VII: TAXES, ASSESSMENTS AND OTHER CHARGES

Landlord shall pay all real estate taxes, assessments (general and special), and other charges which may be levied, assessed or charged against the Premises, accruing or becoming due and payable during the term of this Lease, which shall be considered part of the Common Operating Expenses.

ARTICLE VIII: UTILITIES AND MAINTENANCE

8.1 Landlord's Responsibilities. Landlord shall be solely responsible for all charges for water, gas, heat, light, power, garbage removal, and snow removal during the term of this Lease. Landlord has also agreed to provide regular maintenance and cleaning service of the Premises. All of the services described in this Section 8.1 shall be considered part of the Common Operating Expenses.

8.2 Tenant's Responsibilities. Tenant shall be solely responsible for all charges for phone and internet connection and service. However, Landlord will take no intentional action which may cause an unscheduled interruption in Tenant's telephone or internet lines, said communication systems being critical to Tenant's ongoing business operations. Notwithstanding the foregoing, if it becomes necessary for Landlord to shut down the said communication systems for reconstruction or remodeling work on the office building, such temporary cessation of communications systems shall be undertaken only upon prior notice to Tenant and at such time and for such duration as to minimize any interruption in Tenant's operations. Such remodeling or reconstruction activities are not planned or expected, but may unexpectedly occur during the term of this Lease. At all times during the term of this Lease, and regardless of any services provided by Landlord in Section 8.1 above, Tenant shall be solely responsible to keep the Premises in a neat, clean, and sanitary condition and shall comply with all valid federal, state, county, and city laws and ordinances and all rules and regulations of any duly constituted authority, present or future, affecting or respecting the use or occupancy of the Premises by Tenant.

ARTICLE IX: FINISH CONSTRUCTION OF PREMISES

9.1 Construction of Improvements. After review and approval of Tenant's chosen design and layout of the Premises, Landlord shall, within the aggregate total cost of \$50 per square foot of net usable space, finish construction of the Premises. Tenant shall present to Landlord suggested plans and specifications for the installation of the finish work and Improvements. Landlord has sole discretion to accept, reject, or modify any such plan. Tenant

may, if Landlord agrees, pay for any upgrades in materials or design elements above and beyond the costs Landlord has agreed to pay. Such alterations, decorations, additions and Improvements shall not be removed from the Premises during the term of this Lease without the prior written consent of Landlord and, upon expiration of this Lease, all such alterations, decorations, additions and Improvements shall at once become the Property of Landlord.

9.2 Completion of Improvements. The Premises shall be completed by Landlord substantially in accordance with the description of a "work letter agreement" entered into between Landlord and Tenant. Landlord's obligation for completion of the Premises shall be defined and limited by the work letter and Landlord shall not be required to furnish or install any item not indicated thereon. The Premises shall be deemed "Ready for Occupancy" on the date on which Tenant receives Landlord's certificate that the work described in the work letter agreement has been substantially completed except for items of work and adjustment of equipment and fixtures which can be completed after occupancy has been taken without causing substantial interference with Tenant's use of the Premises (i.e., so-called "punch list" items). It is expressly understood by the parties that "Ready for Occupancy" does not include the installation and completion of a telephone system or other communications or data processing lines or systems in the Premises, which shall be solely Tenant's responsibility. Promptly following the delivery of the Landlord's certificate to Tenant by Landlord, Tenant shall countersign and return to Landlord an "Acceptance and Statement of Premises, Area and Term" which will be signed and sent by Landlord to Tenant. Tenant's countersignature of such a letter shall be conclusive evidence of Tenant's agreement with respect to the Commencement Date and termination date of this Lease and Tenant's acceptance of the Premises in its "as is" condition, Tenant thereby agreeing that Landlord has fulfilled its obligations pursuant to the work letter agreement of this Lease. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises are at the date of possession in satisfactory condition. Landlord shall not be responsible for any latent defects or deficiencies in the construction of the Premises or any Improvements or fixtures therein.

9.3 Conditions and Limitations. Landlord may impose as a condition or conditions to granting any consent required by Section 9.1, such requirements, restrictions and limitations as Landlord may deem necessary in Landlord's sole discretion, including without limitation, the manner in which the work is done, the contractors by whom it is performed, and the time during which the work is accomplished.

9.4 Tenant's Access during Construction Period. Tenant shall be given reasonable rights of access to the Premises during the period of construction and prior to the Commencement Date in order to inspect the construction progress and to install and test telephone and data communication lines for use in Tenant's tenancy of the Premises.

ARTICLE X: TENANT'S INSURANCE

10.1 Tenant's Insurance Coverage. Tenant shall, at all times during the term of this Lease, and at Tenant's own cost and expense, procure and continue in force the following insurance coverage:

(a) Comprehensive liability insurance with limits of not less than one million dollars (\$1,000,000), insuring against any and all liability of the insured with respect to the Premises or arising out of the use or occupancy thereof, and property damage liability insurance with a limit of not less than one million dollars (\$1,000,000) per accident or occurrence.

(b) Insurance covering all of Tenant's leasehold Improvements and personal property in or upon the Premises in an amount not less than one hundred percent (100%) of full replacement cost, providing protection against any peril generally included within the classification "Fire and Extended Coverage", together with insurance against sprinkler damage, vandalism and malicious mischief and a standard inflation guard endorsement. Tenant hereby assigns Landlord any and all proceeds payable with respect to such policies except to the extent such proceeds are payable with respect to any property that would remain the property of Tenant upon the termination of this Lease; provided, however, that to the extent required pursuant to the provisions of Article XIV, such proceeds shall be applied to the repair and restoration of the Premises.

10.2 Insurance Policies. The minimum limits of insurance policies as set forth in Section 10.1 shall in no event limit the liability of Tenant hereunder. The insurance policies shall name Landlord as an additional insured and shall be with companies having a rate of not less than an "A" company rating. Landlord understands that Tenant is a Public Mutual Insurance Company and as such Tenant may directly provide the insurance, or a portion thereof, required under this Article. Tenant shall furnish from the insurance companies or cause the insurance companies to furnish to Landlord certificate of coverage. No such policy shall be cancelable or subject to reduction of coverage or other modification or cancellation except after thirty (30) days prior written notice to Landlord by the insurer. All such policies shall be written as primary policies, not contributing with and not in excess of any coverage which Landlord may carry. Tenant shall at least twenty (20) days prior to the expiration of such policies furnish Landlord with renewals or binders. If Tenant does not procure and maintain such insurance, Landlord may, but is not obligated to, procure such insurance on Tenant's behalf and all sums paid by Landlord shall bear interest at the rate of fifteen percent (15%) and shall be immediately due and payable. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by Tenant provided such blanket policies expressly afford coverage to the Premises and to Landlord as required by this Lease.

10.3 Waiver of Subrogation. To the extent permitted under the insurance policies obtained by Landlord, if any, and Tenant, Landlord and Tenant each hereby waive any and all right of recovery against the other or against the officers, employees, agents and representatives of the other, on account of loss or damage occasioned to such waiving party or its property or the property of others under its control to the extent that such loss or damage is insured against under

any fire and extended coverage insurance policy which either may have in force at the time of such loss or damage.

ARTICLE XI: USE OF PREMISES

11.1 Use. The Premises shall be occupied by Tenant solely for the purpose of office and general business use, and for no other purpose without the prior written consent of Landlord which consent may be withheld by Landlord in Landlord's sole discretion.

11.2 Suitability. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises or with respect to the suitability of the Premises for the conduct of Tenant's business.

11.3 Prohibited Uses.

(a) Tenant shall not do or permit anything to be done in or about the Premises, nor bring or keep anything therein which will cause a cancellation of any insurance policy covering the Premises, nor shall Tenant sell or permit to be kept, used or sold in or about the Premises any articles which may be prohibited by a standard form policy of fire insurance unless Tenant provides additional insurance coverage extending protection to cover all risks associated with these articles.

(b) Tenant shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation or requirement of duly constituted public authorities now in force or which may hereafter be enacted, promulgated or created. Tenant shall, at Tenant's sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force and with the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the use or occupancy of the Premises.

11.4 Limited Use of Elevator. It is the understanding of the Parties that Tenant shall generally use the outside "Garden Level" entrances to the Premises. Accordingly, Tenant has agreed to limit use of the elevator, as much as is possible, to Tenant's patrons or guests who are physically challenged.

11.5 Parking. Tenant shall have nonexclusive access and use of the existing parking spaces surrounding the office building which shall be shared by and between Landlord and Tenant. Landlord shall construct at least twenty (20) parking spaces additional to those currently existing.

ARTICLE XII: HAZARDOUS SUBSTANCES

12.1 Environmental Compliance. Tenant (a) shall at all times comply with, or cause to be complied with, any "Environmental Law" (hereinafter defined) governing the Premises or the use thereof by Tenant or any of Tenant's employees, agents, contractors, invitees, licensees, customers, or clients, (b) shall not use, store, generate, treat, transport, or dispose of, or permit any of Tenant's employees, agents, contractors, invitees, licensees, customers, or clients to use,

store, generate, treat, transport, or dispose of, any "Hazardous Substance" (hereinafter defined) on the Premises without first obtaining Lessor's written approval, (c) shall promptly and completely respond to and cleanup any release or presence of any Hazardous Substances upon the Premises in accordance with applicable laws and regulations and (d) shall pay all costs incurred as a result of the environmental state, condition and quality of the Premises, including, but not limited to, the costs of any Environmental Cleanup Work (hereinafter defined) and the preparation of any closure or other required plans (all of the foregoing obligations of Tenant under this Section 12.1" are hereinafter collectively "Tenant's Environmental Obligations"). Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims, actions, damages, penalties, fines, liabilities and expenses, including reasonable attorneys' fees, which are directly or indirectly, in whole or in part, caused by or arise out of Tenant's Environmental Obligations. Tenant shall promptly deliver to Lessor true and complete copies of any and all notices or correspondence or request from any governmental authority or third parties relating to the presence, release, use, storage, treatment, transportation, or disposal of Hazardous Substances, which notices, correspondence, or requests relate, in any way, to the Premises. Tenant shall permit Landlord and Landlord's agents to enter into and upon the Premises, without notice, at all reasonable times for the purpose of inspecting the Premises and verifying Tenant's compliance with these covenants. The provisions of this Article XII shall survive the expiration or other termination of this Lease.

12.2 Definitions. As used in this Lease (a) "Hazardous Substance" shall mean (1) any "hazardous waste", "hazardous substance", and any other hazardous, radioactive, reactive, flammable, infectious, solid wastes, toxic or dangerous substances or materials, or related materials, as defined in, regulated by, or which form the basis of liability now or hereafter under any Environmental Law; (2) asbestos, (3) polychlorinated biphenyls (PCBs); (4) petroleum products or materials; (5) underground storage tanks, whether empty or filled or partially filled with any substance; (6) flammable explosives, (7) any substance the presence of which on the Premises is or becomes prohibited by Environmental Law; (8) urea formaldehyde foam insulation; and (9) any substance which under Environmental Law requires special handling or notification in its use, collection, storage, treatment or disposal; (b) "Environmental Cleanup Work" shall mean an obligation to perform work, cleanup, removal, repair, remediation, construction, alteration, demolition, renovation or installation in or in connection with the Premises in order to comply with any Environmental Law; and (c) "Environmental Law" shall mean any federal, state or local law, regulation, ordinance or order, whether currently existing or hereafter enacted, concerning the environmental state, condition or quality of the Premises or use, generation, transport, treatment, removal, or recovery of Hazardous Substances, including building materials, and including, but not limited to, the following: (1) the Solid Waste Disposal Act as amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et seq.), as amended, and all regulations promulgated thereunder; (2) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9601, et seq.), as amended, and all regulations promulgated thereunder; (3) the Hazardous Materials Transportation Act (49 U.S.C. Section 1801, et seq.), as amended, and all regulations promulgated thereunder; (4) the Toxic Substances Control Act (15 U.S.C. Section 2601, et seq.), as amended, and all regulations promulgated thereunder; (5) the Clean Air Act (42 U.S.C. Section 7401, et seq.), as amended, and all regulations promulgated thereunder; (6) the Federal Water Pollution Control Act (33 U.S.C. Section 1251, et seq.), as amended, and all regulations

promulgated thereunder; and (7) the Occupational Safety and Health Act (29 U.S.C. Section 651, et seq.), as amended, and all regulations promulgated thereunder.

ARTICLE XIII: ALTERATIONS AND SIGNAGE

13.1 Alterations. Tenant shall not make any physical alteration in the Premises or to the fixtures located therein or install or cause to be installed any trade fixtures, floor coverings, interior or exterior lighting, plumbing fixtures, shades or awnings or make any changes to the exterior of the Premises without first obtaining the written consent of Landlord.

13.2 Signage. Landlord shall provide Tenant, if desired by Tenant, space for a trade sign on the monument located near 110th street at the Jordan Gateway entrance. No other trade signs are permitted except by prior written consent from Landlord.

ARTICLE XIV: DAMAGE OR DESTRUCTION

14.1 Tenant to Repair Improvements. If during the term of this Lease any of the Tenant's Improvements are damaged or destroyed by fire or other casualty, Tenant shall repair or restore the Improvements. The work of repair or restoration, which shall be completed with due diligence, shall be commenced within a reasonable time after the damage or loss occurs.

14.2 Damage at End of Lease. At the end of the Lease, Landlord shall, after an inspection of the vacated Premises, return such portion of the Security Deposit as is not required to be applied to the repair costs for damages to the Premises during Tenant's possession thereof.

ARTICLE XV: CONDEMNATION

If all or any part of the Premises is taken or appropriated for public or quasi-public use by right of eminent domain with or without litigation or transferred by agreement in connection with such public or quasi-public use, Landlord and Tenant shall each have the right within thirty (30) days of receipt of notice of taking, to terminate this Lease as of the date possession is taken by the condemning authority; provided, however, that before Tenant may terminate this Lease by reason of taking or appropriation, such taking or appropriation shall be of such an extent and nature as to substantially handicap, impede or impair Tenant's use of the Premises. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to Landlord any award which may be made in such taking or condemnation, together with any and all rights of Tenant now or hereafter arising in or to the award or any portion thereof; provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to Landlord any award made to Tenant for the taking of personal property and fixtures belonging to Tenant, for the interruption of or damage to Tenant's business and for Tenant's unamortized cost of leasehold Improvements. In the event of a partial taking which does not result in a termination of this Lease, rent shall be abated in the proportion which the part of the Premises so made unusable bears to the rented area of the Premises immediately prior to the taking. No temporary taking of the Premises or Tenant's right therein or under this Lease shall terminate this Lease or give Tenant any right to any abatement of rent thereunder; and any award made to Tenant by reason of any such temporary taking shall belong entirely to Tenant, and Landlord shall not be entitled to any portion thereof.

ARTICLE XVI: ASSIGNMENT AND SUBLETTING

Tenant shall not assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, either voluntarily or involuntarily by operation of law or otherwise, and Tenant shall not sublet the Premises or any part thereof, without the prior written consent of Landlord and any attempt to do so without such consent being first had and obtained shall be void and shall constitute a breach of this Lease.

ARTICLE XVII: SUBORDINATION, ATTORNMENT AND ESTOPPEL CERTIFICATES

17.1 Subordination. This Lease at Landlord's option shall be subject and subordinate to the lien of any mortgages or deeds of trust in any amount or amounts whatsoever now or hereafter placed on or against the Land, the Improvements or on or against Landlord's interest or estate therein, without the necessity of the execution and delivery of any further instruments on the part of Tenant to effectuate such subordination.

17.2 Subordination Agreements. Tenant shall execute and deliver upon demand without charge therefore, such further instruments evidencing such subordination of this Lease to the lien of any such mortgages or deeds of trust as may be required by Landlord.

17.3 Attornment. In the event of any foreclosure or the exercise of the power of sale under any mortgage or deed of trust made by Landlord covering the Premises or the Improvements, Tenant shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Landlord under this Lease, provided said purchaser expressly agrees in writing to be bound by the terms of this Lease.

17.4 Estoppel Certificates. Tenant shall, from time to time and within ten (10) days from receipt of prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing (a) certifying that this Lease is unmodified and in full force and effect or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect and the date to which the rent and other charges are paid in advance, if any, (b) certifying that the Lease and any modifications of this Lease constitute the entire agreement between Landlord and Tenant with respect to the Premises and, except as set forth in this Lease and any modification of this Lease, Tenant does not claim any right, title, or interest in or to the Premises or any part thereof, (c) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults, if any are claimed, and (d) certifying such other matters with respect to the Lease and/or the Premises as Landlord may reasonably request.

17.5 Failure to Deliver Certificate. If Tenant fails to deliver such statement within the time period referred to in Section 17.4 above, Tenant shall be deemed conclusive upon Tenant that the (a) this Lease is unmodified and in full force and effect, (b) this Lease constitutes the entire agreement between Landlord and Tenant with respect to the Premises and, except as set forth in this Lease, Tenant does not claim any right, title, or interest in or to the Premises, or any part thereof, (c) there are no uncured defaults in Landlord's performance of Landlord's

obligations under this Lease, and (d) not more than one month's Monthly Rent has been paid in advance.

17.6 Transfer of Landlord's Interest. In the event of a sale or conveyance by Landlord of Landlord's interest in the Premises other than a transfer for security purposes only, Landlord shall be relieved from and after the date specified in any such notice of transfer of all obligations and liabilities to Tenant which accrue after such sale or conveyance on the part of Landlord, provided that any funds in the possession of Landlord at the time of transfer in which Tenant has an interest shall be delivered to the successor Landlord. This Lease shall not be affected by any such sale or transfer and Tenant shall attorn to the purchaser or other transferee provided that all of Landlord's obligations accruing hereunder from and after such sale or transfer are assumed in writing by such purchaser or transferee.

ARTICLE XVIII: DEFAULT AND REMEDIES

18.1 Default. The occurrence of any of the following shall constitute a material default and breach of this Lease by Tenant:

(a) Any failure by Tenant to pay the Monthly Rent, or any other monetary sums required to be paid under this Lease, where such failure continues for five (5) days after written notice thereof by Landlord to Tenant;

(b) The abandonment or vacation of the Premises by Tenant;

(c) A failure by Tenant to observe and perform any other term, covenant or condition of this Lease to be observed or performed, by Tenant, where such failure continues for twenty (20) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of the default is such that the default cannot reasonably be cured within the twenty (20) day period, Tenant shall not be deemed to be in default if Tenant shall within the twenty (20) day period commence action to cure the default and thereafter diligently prosecute the same to completion;

(d) The making by Tenant of any general assignment or general arrangement for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or the attachment, execution, or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days.

18.2 Nonexclusive Remedies. In the event of any such material default or breach by Tenant, Landlord shall have, in addition to any other remedies provided in this Lease, the following nonexclusive remedies:

(a) At Landlord's option and without waiving any default by Tenant, Landlord shall have the right to continue this Lease in full force and effect and to collect all monthly Rent, and any other amounts to be paid by Tenant under this Lease as and when due. During any period that Tenant is in default, Landlord shall have the right, pursuant to legal proceedings or pursuant to any notice provided for by law, to enter and take possession of the Premises, without terminating this Lease, for the purpose of reletting the Premises or any part thereof and making any alterations and repairs that may be necessary or desirable in connection with such reletting. Any such reletting or relettings may be for such term or terms (including periods that exceed the balance of the term of this Lease), and upon such other terms, covenants and conditions as Landlord may in Landlord's sole discretion deem advisable. Upon each and any such reletting, the rent or rents received by Landlord from such reletting shall be applied as follows: (1) to the payment of any indebtedness (other than rent) due hereunder from Tenant to Landlord; (2) to the payment of costs and expenses of such reletting, including brokerage fees, attorney's fees, court costs, and costs of any alterations or repairs; (3) to the payment of any monthly Rent and any other amounts due and unpaid hereunder; and (4) the residue, if any, shall be held by Landlord and applied in payment of future monthly Rent and any other amounts as they become due and payable hereunder. If the rent or rents received during any month and applied as provided above shall be insufficient to cover all such amounts including the monthly Rent and any other amounts to be paid by Tenant pursuant to this Lease for such month, Tenant shall pay to Landlord any deficiency; such deficiencies shall be calculated and paid monthly. No entry or taking possession of the Premises by Landlord shall be construed as an election by Landlord to terminate this Lease, unless Landlord gives written notice of such election to Tenant or unless such termination shall be decreed by a court of competent jurisdiction. Notwithstanding any reletting by Landlord without termination, Landlord may at any time thereafter terminate this Lease for such previous default by giving written notice thereof to Tenant.

(b) Terminate Tenant's right to possession by notice to Tenant, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default, including without limitation the following: (1) all unpaid rent which has been earned at the time of such termination plus (2) the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that is proved could have been reasonably avoided; plus (3) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease, or in addition to or in lieu of the foregoing such damages as may be permitted from time to time under applicable State law. Upon any such re-entry Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises, which Landlord in Landlord's sole discretion deems reasonable and necessary.

ARTICLE XIX: ENTRY BY LANDLORD

Landlord and Landlord's designated representatives and agents shall, during the term of this Lease, have the right to enter the Premises to inspect the same.

ARTICLE XX: INDEMNITY

Tenant shall indemnify and hold Landlord harmless from any and all claims of liability for any injury or damage to any person or property whatsoever occurring in, on or about the Premises or any part thereof during the term of this Lease. Tenant shall further indemnify and hold Landlord harmless from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of Tenant, or any of Tenant's agents, contractors, employees, licensees or invitees and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. Tenant shall not, however, be liable for damage or injury occasioned by the negligence or intentional acts of Landlord and Landlord's designated agents or employees. Tenant's obligations under this Article XXI shall survive the expiration or other termination of this Lease.

ARTICLE XXI: SURRENDER

21.1 Surrender. Upon the expiration or other termination of this Lease, Tenant shall quit and surrender to Landlord the Premises, together with the Improvements and all other property affixed to the Premises, excluding Tenant's fixtures, in good order and condition, ordinary wear and tear excepted. Tenant shall, prior to the expiration or other termination of this Lease remove all personal property belonging to Tenant and failing to do so, Landlord may cause all of said personal property to be removed at the cost and expense of Tenant. Tenant's obligation to observe and perform this covenant shall survive the expiration or other termination of this Lease. In the alternative, Landlord may, at Landlord's option, treat any and all items not removed by Tenant on or before the date of expiration or of the termination of this Lease as having been relinquished by Tenant and such items shall become the property of Landlord with the same force and effect as if Tenant had never owned or otherwise had any interest in such items.

21.2 Hazardous Substances. No spill, deposit, emission, leakage or other release of Hazardous Substance in the soils, groundwaters or waters shall be deemed to result in either (a) wear and tear that would be normal for the term of the Lease; or (b) a casualty to the Premises. Tenant shall be responsible to promptly and completely cleanup any such release as shall occur on the Premises during the term of the Lease and shall surrender the Premises free of any contamination or other damage caused by such occurrence during the term of the Lease. Tenant's obligation to cleanup the Premises pursuant to the provisions of this Article XXII shall survive the expiration or other termination of this Lease.

ARTICLE XXII: MISCELLANEOUS

22.1 Transfer of Landlord's Interest. In the event of a sale or conveyance by Landlord of Landlord's interest in the Premises other than a transfer for security purposes only, Landlord shall be relieved from and after the date specified in any such notice of transfer of all obligations

and liabilities accruing after such sale or conveyance on the part of Landlord, provided that any funds in the possession of Landlord at the time of transfer in which Tenant has an interest, shall be delivered to the successor of Landlord. This Lease shall not be affected by any such sale and Tenant agrees to attorn to the purchaser or assignee provided all Landlord's obligations hereunder are assumed in writing by the transferee.

22.2 Captions, Attachments and Defined Terms.

(a) The captions of the Articles and Sections of this Lease are for convenience only and shall not be deemed to be relevant in resolving any question of interpretation or construction of any Section of this Lease.

(b) The words "Landlord" and "Tenant", as used herein, shall include the plural as well as the singular. Words used in neuter gender include the masculine and feminine and words in the masculine or feminine gender include the neuter. If there be more than one Landlord or Tenant, the obligations hereunder imposed upon Landlord or Tenant shall be joint and several.

22.3 Entire Agreement. This instrument along with any exhibits and attachments hereto constitutes the entire agreement between Landlord and Tenant relative to the Premises and this Lease and the exhibits and attachments may be altered, amended or revoked only by an instrument in writing signed by both Landlord and Tenant. All prior or contemporaneous oral agreements between and among Landlord and Tenant and their agents or representatives relative to the leasing of the Premises are merged in or revoked by this Lease.

22.4 Severability. If any term or provision of this Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law.

22.5 Costs of Suit.

(a) If Tenant or Landlord shall bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of rent or possession of the Premises, the losing party shall pay the successful party a reasonable sum for attorney's fees whether or not such action is prosecuted to judgment.

(b) Should Landlord, without fault on Landlord's part, be made a party to any litigation instituted against Tenant, or by or against any person holding under or using the Premises by license of Tenant, or for the foreclosure of any lien for labor or material furnished to or for Tenant or any such other person or otherwise arising out of or resulting from any act or transaction of Tenant or of any such other person, Tenant shall save and hold Landlord harmless from any judgment rendered against Landlord, the Premises or any part thereof, and all costs and expenses, including reasonable attorney's fees, incurred by Landlord in or in connection with such litigation.

22.6 Time and Remedies. Time is of the essence of this Lease and every provision hereof. All rights and remedies of the parties shall be cumulative and nonexclusive of any other remedy at law or in equity.

22.7 Binding Effect, Successors and Choice of Law. All time provisions of this Lease are to be construed as both covenants and conditions as though the words importing such covenants and conditions were used in each separate Section of this Lease. Subject to any provisions restricting assignment or subletting by Tenant as set forth in Article XVI, all of the terms hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns. This Lease shall be governed by the laws of the State of Utah.

22.8 Waiver. No term, covenant or condition of this Lease shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of the breach of any term, covenant or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other term, covenant or condition. Acceptance by Landlord of any performance by Tenant after the time the same shall have become due shall not constitute a waiver by Landlord of the breach or default of any term, covenant or condition unless otherwise expressly agreed to by Landlord in writing.

22.9 Holding Over. If Tenant remains in possession of all or any part of the Premises after the expiration of the term of this Lease, with or without the express or implied consent of Landlord, such tenancy shall be from month to month only, and not a renewal hereof or an extension for any further term, and in such case, rent and other sums due hereunder shall be payable in an amount equal to 150% of the amount last specified in this Lease and such month to month tenancy shall be subject to every other term, covenant and condition contained in this Lease.

22.10 Recording. No copy of this Lease will not be recorded on behalf of either party, but in lieu thereof, Landlord and Tenant agree that each will, upon the request of the other, execute, in recordable form, a "short form" of the Lease, which "short form" shall contain a description of the Premises, the term of the Lease, the parties to the Lease. The "short form" of the Lease shall not modify the terms of the Lease or be used in interpreting the Lease and in the event of any inconsistency between this Lease and the "short form" of the Lease, the terms and conditions of this Lease shall control.

22.11 Reasonable Consent. Except as limited elsewhere in this Lease, wherever in this Lease Landlord or Tenant is required to give consent or approval to any action on the part of the other, such consent or approval shall not be unreasonably withheld. In the event of failure to give any such consent, the other party shall be entitled to specific performance at law and shall have such other remedies as are reserved to such party under this Lease, but in no event shall Landlord or Tenant be responsible in damages for failure to give consent unless consent is withheld maliciously or in bad faith.

22.12 Notice. Any notice required to be given under this Lease shall be given in writing and shall be delivered in person or by registered or certified mail, postage prepaid, and addressed to the following:

If to Landlord:

Western AgCredit, FLCA
10980 South, Jordan Gateway
South Jordan, UT 84095
Attention: Richard Weathered

If to Tenant (prior to Commencement Date):

Utah Counties Insurance Pool
PO Box 760
Midvale, UT 84047
Attention: Johnnie Miller

If to Tenant (after Commencement Date):

Utah Counties Insurance Pool
10980 South, Jordan Gateway
South Jordan, Utah 84095
Attention: Johnnie Miller

Such notice shall be deemed delivered when personally delivered or upon deposit of the notice in the United States mail in the manner provided above.

22.13 No Partnership. Landlord does not, as a result of entering into this Lease, in any way or for any purpose become a partner of Tenant in the conduct of Tenant's business, or otherwise, or joint venturer or a member of a joint enterprise with Tenant.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first above written.

LANDLORD:

WESTERN AGCREDIT, FLCA

By: Richard Weathered

Its: President

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On the _____ day of _____, 2008, personally appeared before me Richard Weathered, the signer of the above instrument, who duly acknowledged to me that he is the President of Western AgCredit, ACA, and executed the same on behalf of Western AgCredit, ACA.

NOTARY PUBLIC

TENANT:

UTAH COUNTIES INSURANCE POOL

By: Johnnie R. Miller

Its: Chief Executive Officer

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On the _____ day of _____, 2008, personally appeared before me Johnnie R. Miller, the signer of the above instrument, who duly acknowledged to me that he is the Chief Executive Officer of UTAH COUNTIES INSURANCE POOL, and executed the same on its behalf.

NOTARY PUBLIC

EXHIBIT "A"

DEPICTION OF PROPERTY

DRAFT



Utah Retirement Systems

Retirement Office

560 East 200 South
Salt Lake City, UT 84102-2021

(801) 366-7700
(800) 365-8772 Toll Free
(801) 366-7734 Fax
www.urs.org

ROBERT V. NEWMAN
Executive Director

Public Employees Health Program

560 East 200 South
Salt Lake City, UT 84102-2004

(801) 366-7500
(800) 365-8772 Toll Free
(801) 366-7596 Fax
www.pehp.org

JEFFREY L. JENSEN
Director

July 11, 2008

Mr. Johnnie Miller, Executive Director
Utah Counties Insurance Pool
P.O. Box 760
Midvale UT 84047

RE: Formation of a Utah Counties Insurance Pool (UCIP) Health Insurance Pool

Dear Johnnie:

Starting in March of this year, we have had a series of meetings and conversations with you regarding the formation of a UCIP risk pool with Public Employees Health Program (PEHP) as mentioned in the Administrative Agreement of December 15, 2005. Over the course of those meetings and conversations, the roles and obligations of the parties were clarified. Specifically, in a meeting on April 29, 2008, in our offices we discussed the proposal of UCIP forming its own risk pool within PEHP and using as "seed money" reserves accumulated by the participating UCIP counties within PEHP's Local Governments Risk Pool (LGRP).

On June 19, 2008, you and I had a telephone conversation regarding the proposal discussed in our April 29th meeting in which you proposed an option for UCIP to extend the date of the formation of a UCIP risk pool as well as the date for accumulating reserves.

Unfortunately, it was not until July 8, 2008, that I had an in-depth conversation with PEHP's legal counsel on the formation of the UCIP risk pool and the proposal of using allocated LGRP reserves accumulated by the participating UCIP counties as the "seed money". The result of my discussion with our legal counsel is that the "proposal" I introduced and we discussed at our April 29th meeting is NOT something PEHP can do. PEHP's charter is found in Title 49 of the Utah Code wherein PEHP is obligated to act as a trustee and fiduciary. As such, the proposal of accumulating reserves within LGRP to be subsequently removed for the benefit of the participating UCIP counties would likely be a breach of our fiduciary duty of impartiality toward the other participating public agencies (and their employees and dependents) in the LGRP. Additionally, our legal counsel has advised us that the individual LGRP group contracts may also preclude us from carrying out the proposal.

I apologize for my delay in getting legal counsel until now. While using accumulated LGRP reserves as seed money is off the table, UCIP certainly has the contractual right to request of PEHP the formation of a separate risk pool. (I say "request" because that same Title 49

July 11, 2008
Page 2

places the responsibility on PEHP to create risk pools with approval of the URS Board of Trustees.) The factors we review in forming stand-alone, self-insured risk pools of multiple employers include having a) critical mass of covered lives and b) the financial wherewithal to assure payment of claims and administrative costs, usually in the form of a deposit or up-front contribution to reserves. PEHP continues to be willing to entertain a request from UCIP for a future risk pool separate from LGRP.

Please contact me if you have questions or further clarification is needed

Sincerely,

A handwritten signature in cursive script, reading "Jeffrey L. Jensen". The signature is fluid and stylized, with the first name "Jeffrey" being more prominent and the last name "Jensen" following in a similar cursive style.

Jeffrey L. Jensen, Director
Public Employees Health Program

cc: Lynn Lemon, Cache County
Kent Sundberg, Utah County



GBS BENEFITS

Utah County Insurance Pool (UCIP)

Proposal for Insurance Consulting Services

June 27, 2008

Scott Stewart

GBS Consultant

Phone (801) 364-7233

Fax (801) 364-7859

scott.stewart@gbsbenefits.com

Robert Ferguson

GBS Account Executive

Phone (801) 364-7233

Fax (801) 364-7859

rob.ferguson@gbsbenefits.com

Mark Johnson

GBS Account Executive

Phone (801) 364-7233

Fax (801) 364-7859

mark.johnson@gbsbenefits.com

Denise Perez-House

GBS Account Manager

Phone (801) 364-7233

Fax (801) 364-7859

denise.house@gbsbenefits.com

LETTER OF TRANSMITTAL - SECTION I

February 21, 2008

Johnnie R. Miller
Chief Executive Officer
P.O. Box 760
6900 South 900 East #230
Midvale, Ut 84047

Dear Johnnie:

On behalf of GBS Benefits, we would like to thank you for the opportunity to respond to your request for a proposal. We believe this information submitted will be helpful as you evaluate GBS services. GBS brings a wealth of industry knowledge as well as value added services that are unmatched in the broker community.

The GBS team assigned to UCIP has a combined total of 60 years plus of employee benefit experience. UCIP will also have the benefit of an account manager that can assist UCIP and its participating counties with their benefit service needs.

GBS is a full service brokerage offering product line assistance to enhance your current benefit package for your employees. GBS also offers an extensive list of services included in our consulting fee. These services include but are not limited to:

- Pool Strategy for UCIP
- Underwriting Services
- In-depth Claims Reporting
- Human Resource Consulting
- COBRA Administration
- Account Manager services
- Consulting/Producer team strategy
- Employee Benefit Booklet Development
- MyWave Human Resource Website
- Client Seminars

Again, thank you for your interest in GBS Benefits. We look forward to discussing our proposal in more detail. If you have any questions, you may contact us at 364-7233.

Sincerely,

Scott Stewart
Consultant

Pool Strategy for UCIP

GBS Benefits is excited for the opportunity to work with the UCIP group. GBS is not a legal/actuary firm, however we have eight + years working with PEHP regarding networks, pools, benefits, reporting, contracts, reinsurance, reserves and underwriting.

GBS does provide employee benefits experience and has developed strategies that can enhance the current UCIP pool.

- Review and evaluate the PEHP pool contract agreement with UCIP.
- Discuss and negotiate the pool contract with PEHP with the goal of UCIP obtaining its own independent pool (similar to the UBHN pool) with its own financials, claims experience, reserves, etc.
- Achieve pool deadlines as set forth by UCIP for pool implementation.
- Underwriting review of financials for UCIP pool and full review of underwriting data/reports.
- Strengthen relationships with current pool participants with the goal of expanding the pool to include additional counties.

Additional Strategies for UCIP

The following section will demonstrate additional successful strategies that have been implemented with other governmental groups GBS currently works with. We recognize that UCIP already has well positioned benefit options for counties, but implementing some of the strategies listed may enhance their current program. GBS will be able to make other strategic suggestions for implementation as we become more familiar with the benefit programs in place.

- A comprehensive benefit bidding process to be implemented. By bidding out ancillary benefit plans, UCIP will receive the greatest possible benefit, network and premium package.
- Align UCIP with benefit plans with deepest discounts available which would allow for cost savings with the least amount of disruption for providers or benefits.



DETAILED DISCUSSION - SECTION I

- Educate UCIP members on benefit plan utilization, cost and areas for improvement. This education may be accomplished using the following methods:
 - Strategic data utilization review (if available) for such areas as:
 - Pharmacy utilization (generic vs. name brand use)
 - Emergency, urgent care, and physician visit utilization
 - Outpatient vs. inpatient usage
 - Open enrollment coordination involving:
 - Carrier coordination of presentation and materials
 - Health fairs during open enrollment
 - Carrier "give-aways" during open enrollment to create excitement and participation
 - Coordination of various insurance committee membership (employee, administration, other professional associations) to insure proper education and involvement of said groups.
 - Education material using e-mail, power point and other training mediums for one meetings and other group settings.
- Review UCIP plans in the areas of early retirees, coordination of benefits, employee dual coverage, participation and contribution requirements and employee eligibility for maximum effectiveness and to insure against community anti-selection.
- Work with carriers to develop protocol for Disease Management Programs in the areas of Asthma, Hypertension, High Cholesterol, Depression, Arthritis, Heart Disease and other conditions to curb utilization (if available).
- Implementation of Cafeteria/Flex 125 debit card to increase employee participation in 125 programs for employee tax savings and FICA savings for UCIP.
- Review UCIP data systems, software, benefits portals, web sites, and implement programs to maximize electronic availability and capabilities.
- Incorporate consolidated benefit booklets and carrier enrollment forms to simplify enrollment and education processes.



DETAILED DISCUSSION - SECTION I

- Coordination of quarterly carrier claims resolution meetings to help increase employee satisfaction.
- Review by consultant/producer and in-house underwriting department carrier reporting to insure accuracy and credibility of reports and carrier data.
- Coordination and training for COBRA, HIPAA, FMLA and other compliance issues in a seminar format and ongoing training for appropriate HR personnel.
- HR Connect, and online employee benefit website.
- HR Services - Review and analyze existing HR documents and processes to ensure legal compliance, training, sexual harassment prevention training, employee handbook review.
- On-line enrollment via web services
- On-line survey
- HRA/HSA Evaluation (if requested)

GBS Benefits understands the fiduciary responsibility public entities face with funding. Our goal will be to demonstrate real financial savings to UCIP.



SUMMARY & COST PROPOSAL - SECTION I

STATEMENT OF PROJECT UNDERSTANDING AND FEES

This statement of understanding has shown how we will review, evaluate, identify options and recommendations for appropriate group insurance providers. GBS will be the sole point of contact with regard to all contractual matters. Listed below are the processes GBS will implement to accomplish this.

POOL STRATEGY

- Review and Evaluate PEHP pool contract
- Independent PEHP pool contract with the goal of expansion
- Review and analysis of PEHP reporting

RFP PROCESS ANCILLARY PRODUCTS

- Preparation of the RFP
- Evaluation of Benefit Designs
- Evaluation of Bids
- Negotiate renewal rates and benefits
- Advise UCIP on cost vs. benefit options

OPEN ENROLLMENT SUPPORT

- Assist with office meetings
- Coordinate meetings with carriers
- Assemble and distribute printed benefit materials

ONGOING SERVICE SUPPORT

- Quarterly insurance committee meetings
- Daily support on claims problems
- Daily support on claims, billing or provider problems
- Keep UCIP apprised of changes and trends occurring within the industry
- Assist in the resolution of UCIP members grievances that are being appealed with carrier
- Keep UCIP informed of legislative issues, i.e. COBRA, HIPAA, FMLA, ADA etc.
- On-line benefits, On-line enrollment and HR Support
- HR Departments, Underwriter Department, COBRA Department

REPORTING

- Trend analysis
- Utilization
- Cost reports
- Demographic reports

COST PROPOSAL

GBS Benefits will accept a consultant fee of **\$1,700 per month** effective 7/1/08 for a period of 6 months, with the option to renew, paid by UCIP for consulting work pertaining to the current PEHP medical plans as stated on page 3 "Pool strategies for UCIP."

GBS Benefits will bid all ancillary products to include dental, basic life/AD&D, supplemental life, LTD, vision, 125/flex, etc. GBS will accept standard commission for these ancillary products if placed, paid effective 1/1/09.

REFERENCES – SECTION I

BOX ELDER COUNTY

Peggy Madsen – Personnel Director
435-734-3348

- Medical – Altius
- Dental – Dental Select
- Life – Hartford

DAVIS SCHOOL DISTRICT

Bruce Williams – Business Administrator
801-402-5266

- Medical – Altius, IHC
- Dental – Blue Cross
- Life – Hartford
- STD/LTD – UNUM

GRAND COUNTY

Diana Carroll – Clerk/Auditor
435-259-1378

Medical – Educators Mutual
Dental – Dental Select
Life/LTD – Cigna

GRANITE SCHOOL DISTRICT

Tracy Miller – Benefits Manager
801-685-4222

- Medical – Blue Cross, Selecthealth
- Dental – Dental Select
- Life/LTD – Metlife

MIDVALE CITY

Rori Clark – City Recorder
801-567-7207

- Medical – Blue Cross
- Dental – Blue Cross
- Life/LTD – Standard

DAVIS COUNTY

Mel Miles
801-444-2300

- Medical – PEHP
- Dental – Dental Select
- Life /LTD– Prudential

OGDEN CITY SCHOOL DISTRICT

Chad Carpenter – Human Resources
801-737-7325

- Medical – Altius
- Dental – Dental Select
- Life/LTD – Cigna

OGDEN WEBER ATC

Theresa Walker – Human Resources
801-627-8413

- Medical – PEHP
- Dental – EMIA
- Life/LTD – Prudential

SEVIER COUNTY

Steve Wall – County Clerk
435-893-0401

- Medical – Select Health
- Dental – Dental Select
- Life/LTD – PEHP

UTA

Nancy Malecker – Human Resources
801-262-5626

- Medical – Altius, Selecthealth
- Dental –Delta Dental
- Life – Heartford
- LTD – Jefferson Pilot

WEBER SCHOOL DISTRICT

Robert Petersen - Business Administrator
801-476-7841

- Medical – Selecthealth, Altius
- Dental – Dental Select
- Life/LTD – The Standard

UTAH BEHAVIORAL HEALTH NETWORK

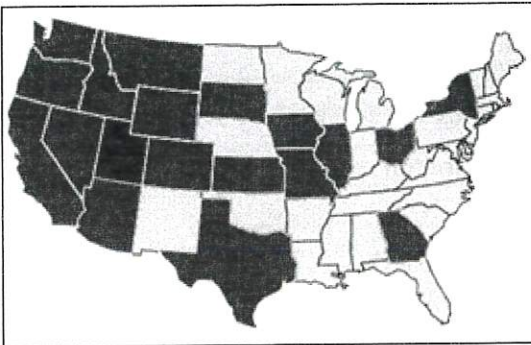
Rob Johnson – Pool Chairman
435-752-0750

- Medical – PEHP
- Dental – Dental Select
- Life – Hartford
- LTD – PEHP

EXECUTIVE SUMMARY - SECTION II

EXECUTIVE SUMMARY

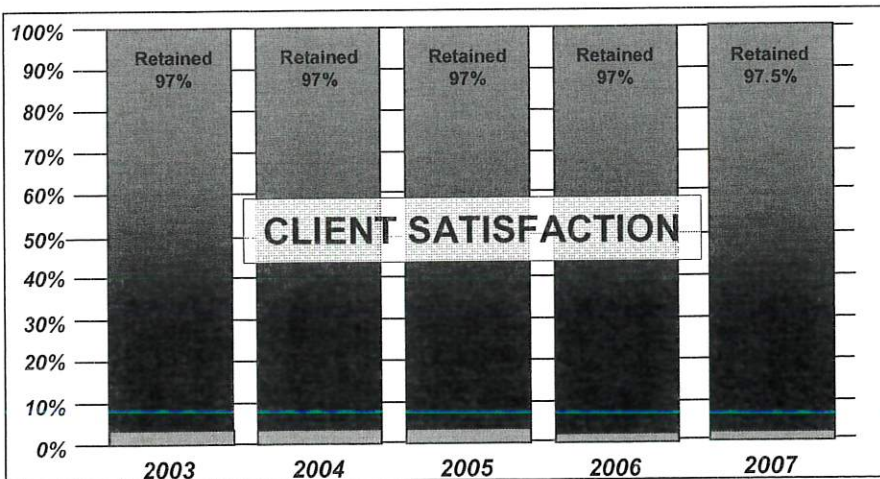
Group Benefit Services, Inc. (GBS Benefits) is a full service insurance and employee benefits firm. Our organization currently insures over 700 Utah companies. GBS has recognized the need for an improved, less expensive approach to benefits management and is ready to assist in this task. Although GBS is located in Utah, we can service your employee needs in multiple states throughout the Western United States. The shaded areas indicate states in which we are currently licensed.



GBS currently represents a variety of accounts which include:

Commercial Groups, Associations, Governmental Entities and School Districts on a fully insured or partially self-funded basis.

The combination of these groups gives GBS the experience required to fulfill the needs of your company.



We also have satellite offices in Vernal, Las Vegas and Logan. **GBS has approximately 400 years of combined industry experience, 200 of those years being carrier related.** These relationships provide us with the ability to know which carriers will be most competitive for your benefit needs.

It is our philosophy to build life-long relationships with clients and carriers by providing consistent and quality service and by utilizing the talents, knowledge and integrity of our employees. The image above illustrates our client retention for the past 5 years. Of the groups lost, 80% were due to national acquisitions.

SERVICE OVERVIEW

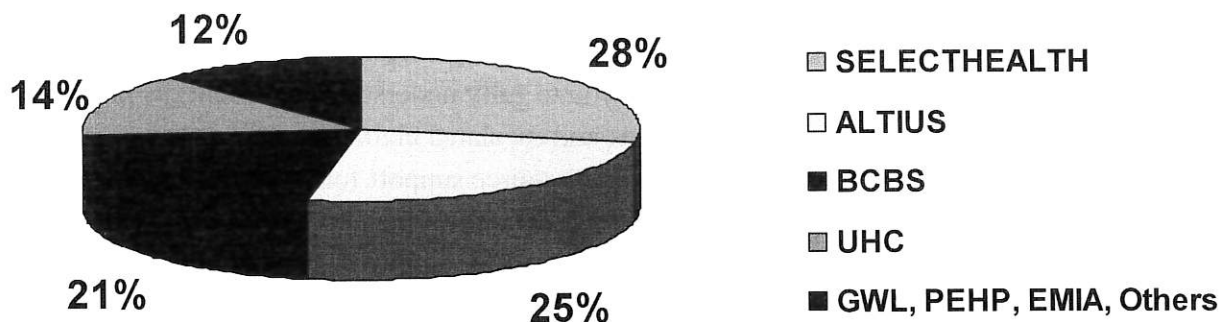
As a client of GBS, you will be offered a wide array of services. These services include but are not limited to:

- *Account Manager Assistance*
- *Annual Plan Review*
- *Fully-Insured and Self-Funded Reporting Capability*
- *Legislative Compliance Coordination*
- *Printed Material Coordination*
- *Quarterly Newsletters*
- *Annual Seminars*
- *Cobra Administration*
- *On-site underwriting*

CARRIER REPRESENTATION -

Although GBS represents many carriers, we offer an unbiased point of view. The graph shows the membership distribution of our 700+ clients. We have substantial blocks of business with all the major insurance carriers in the state, and maintain an excellent relationship with each one. Our goal is to continually match the needs of our clients with an insurance carrier that will provide the best fit.

Past experience has shown the health insurance industry to be intensely dynamic. Over the past several years, there have been 10 mergers or acquisitions with 5 major health insurance carriers and 3 hospital chains in the state of Utah. These dynamics create an ever moving target. The best fit today can literally change overnight and not be available tomorrow. Our firm feels it is critical to develop and maintain strong relationships while remaining unbiased to any one entity.



"We are completely committed to finding and maintaining the best benefits available to you and your employees."

THE GBS COMMITMENT

We have the capacity, experience and expertise to provide world-class service to you and your employees. You will have daily access to each member of our team, and we will return your phone calls within 24 working hours.

UNDERWRITING SERVICES

GBS offers an underwriting department with a strong carrier underwriting background. They have in-depth knowledge of rating methodology and understand what an underwriter is looking for during the rating process. This ensures that you get the most competitive premium rates each renewal year.

Interpret Actuarial Data

- *Dynamic Reports*
- *Periodic updates to aid in budgeting/planning*

Pinpoint Areas of Concern

- *Suggest benefit strategies*
- *Suggest member strategies*

Negotiate Renewals with Carriers

- *Knowledge with methodologies of different types of funding arrangements*

Off-Site Actuarial Services

FULLY-INSURED / SELF-FUNDED REPORTING - SEE EXHIBIT 1

The Reporting Division at GBS provides claims utilization on a monthly, quarterly or annual basis. Report availability is contingent on carrier availability and group size.

- Trend Analysis
- Utilization
- Cost Reports
- Demographic Reports
- Geo Access Reporting – Provider Match

ACCOUNT MANAGER ASSISTANCE

All GBS accounts are assigned a full-time Account Manager, regardless of size. Your Account Manager can assist you with the following, in addition to helping you to fully understand your benefits plan (s).

- **Claim Resolution** – Assistance in complex and escalated claim issues
- **Billing Reconciliation Assistance** - Human Resource support for billing questions/problems
- **Employee Communications** – Payroll stuffers, handouts, posters
- **Employee Q&A Meetings** – Educational meetings for employees on benefits
- **Wellness & Health Fairs** – Screening and health information
- **Employee Surveys** – Identify employee satisfaction of benefit package & other products desired
- **Open Enrollment** – Coordination of meetings with carriers and vendors
- **Employee Benefit Booklet** – Combined benefits in one source

ANNUAL PLAN REVIEW

Prior to your renewal date, GBS will begin the process of reviewing your current plan, and requesting quotes from additional carriers for comparison to provide you and your company with the best possible options for the upcoming year.

HUMAN RESOURCE SERVICES INC.

Human Resources is a field of expertise that everyone needs, but few have mastered. GBS is pleased to announce that as part of the ongoing effort to provide the highest quality products and services to our clients, we will be offering HR consulting services to you at no cost!

A sampling of the offerings made available through this program includes:

- A thorough review of existing Human Resource documents and processes to ensure legal compliance.
- Weekly HR newsletters
- Remote or on-site training as needed on a variety of HR topics, including:
 - *Sexual Harassment Awareness*
 - *Do's and Don'ts of Hiring*
 - *The Americans with Disabilities Act*
 - *Title VII*
- Most importantly, you will have access to a group of HR professionals who can help you navigate the mine fields of Labor Law, Recruiting, Retention, Affirmative Action and other HR related areas.

DRUG TESTING & BACKGROUND CHECKS THROUGH BLUELINE SERVICES

GBS Benefits is pleased to announce that it has entered into a strategic alliance with Blueline Services and will be offering discounted **drug testing** and **background checks** to our clients.

You may not be aware that over 70% of repeat drug offenders and 80% of repeat felons are currently employed full-time somewhere. They may even be working for you or applying for one of your open positions.

Our alliance with Blueline Services has allowed us to offer these crucial screening services for approximately 30% less than most market rates for drug testing and 50% less for background checks.



COBRA ADMINISTRATION

GBS can assist you by generating and distributing:

- Initial COBRA Notice
- Qualifying Event Notification
- Notice of Eligibility to Spouse
- Family Enrollment Form
- Premium Computation Form
- Waiver of Coverage Letter
- Notice of Unavailability
- Early Termination Notice
- Payment Coupons
- Secondary Qualifying Event Letter
- Open Enrollment Notification
- Social Security Disability Extension Notice
- COBRA Termination Notices

GBS will collect all COBRA payments and issue the following reports:


- Employer / Carrier Invoice
- Enrollment Notice to Carrier
- Monthly Qualified Beneficiary Status
- Monthly Premium Submission and Statements

PRINTED & ONLINE MATERIAL COORDINATION

GBS can facilitate setting up and providing the following to you and your employees:

- *Employee Benefit Handbook*
- *Individualized Employee Handouts*
- *Consolidated Enrollment Forms*
- *Complete listing of your carrier's address, contact, phone number, e-mail and website*

CLIENT SEMINARS

- *Bi-Monthly seminars covering topics that mean the most to you*
 - *Annual seminars covering all topics in the insurance industry*
- 

EMPLOYEES' HR & BENEFITS WEB SITE

- A customized, easy-to-use employee Web site with your company logo that serves as a virtual human resources expert.
- 24-hour access to all benefit plans and information and a life event communicator – from work, home or on the road.
- Up-to-date company and policy information and useful forms – you no longer need bulky binders or folders.
- Customized links to carriers and administrators for enrollment forms, provider directories or just general information.
- Postings of important company news, documents, surveys, handbooks, employee directories, jobs and career growth opportunities.

NATIONAL AFFILIATIONS

The Zywave Partnership encompasses a nationwide network of employee benefits and property and casualty brokers/consultants, and third party administrators who have joined together to improve client relationships by offering creative, high-impact solutions through the use of information, technology and online services. Through this partnership, GBS can offer you a strong local market presence, and a national perspective to meet your specific insurance needs.

MYWAVE – HR MANAGEMENT TOOL

- Legislative Guides to COBRA, HIPAA, HIPAA Privacy, FMLA and Section 125.
- Resource Library linking you to hundreds of insurance, human resources, employee benefits and wellness Web sites and information.
- Document Posting Center that allows GBS to post important documents right on the Web site.
- Community section where you can share resources and information with other MyWave users.
- **HealthShop**, a series of online newsletters containing original, valuable information regarding health care and health care consumerism.

BROKER BRIEFCASE

GBS uses Broker Briefcase, an exclusive online communication library, to help educate our clients and their employees. We can provide you with hundreds of professionally developed, customized announcements, forms, and informative brochures.

PRODUCTS BROKERED BY GBS

- *Health*
- *Dental*
- *Life*
- *Long Term Disability (LTD)*
- *Short Term Disability (STD)*
- *Accidental Death & Dismemberment (AD&D)*
- *Vision*
- *Long-Term Care*
- *Voluntary Products*
- *Section 125 Coordination (Cafeteria Plans)*
- *Section 105 Coordination (Health Reimbursement Accounts / Health Savings Account)*
- *401(K) Retirement Plans Coordination*

SECTION 125 / FLEX CARD

The *Flex Convenience*® card alleviates

- *Submitting paperwork*
- *Keeping track of purchases and receipts*
- *Waiting for a reimbursement check to arrive*



Sonya White

From: Sonya White [sonya@ucip.utah.gov]
Sent: Thursday, July 17, 2008 10:12 AM
Cc: Johnnie Miller
Subject: UCIP Board Telephonic Conference
Importance: High
Attachments: July2308 TC.pdf

Dear Trustees,

Please plan to participate in a telephonic conference on Wednesday, July 23 at 2:00 p.m. (agenda attached).

All material to be reviewed will be sent in a separate email.

To join the conference, dial 888-447-7153 and enter passcode: 8401528 followed by #.

Please respond to this email if you will/will not be able to attend.

Thank you,

Sonya White
 Manager of Administration
 Utah Counties Insurance Pool
 PO Box 760
 6900 South 900 East, Suite 230
 Midvale, UT 84047
 800-339-4070
 801-565-8500
 801-568-0495(f)

Kent no
 Wall yes
 Jerry yes
 White yes
 Jim No - out of town all week
 Lynn ~~No~~ ^{YES}
 Kay YES
 Bruce lot msg
 Wayne YES
 Brad YES - New Orleans
 Karla YES
 Ken no

7/17/2008



**BOARD OF TRUSTEES
TELEPHONIC CONFERENCE**

Wednesday, July 23, 2008
2:00 p.m.

To Participate Dial: **1-888-447-7153**

Enter Passcode: **8401528** followed by #

AGENDA

Please Read and Be Prepared to Discuss: Letter of Intent, Draft Lease, Letter from PEHP, Proposal from GBS

Call to Order		Lynn Lemon
Review of Board Members Absent		
ACTION		
1	Approve Letter of Intent Between Western Ag Credit and UCIP	Johnnie Miller
2	Review Draft Lease Agreement Between Western Ag Credit and UCIP	Johnnie Miller
3	Review Letter from PEHP	Lynn Lemon
4	Consider Approval of GBS Proposal/Contract	Johnnie Miller
Other Business		
Adjourn		



Public Meeting Notice Admin

- [Help](#)
- [Log Out](#)

Notice Published Successfully

Your notice has been created successfully.

Meeting Title: Board of Trustees Telephonic Conference

Government Type: Special Districts

Entity: Utah Counties Insurance Pool

Public Body Name: Board of Trustees

Meeting Subject: Insurance

Street Address: Telephonic Conference

Street Address continued: Telephonic Conference

City: Telephonic Conference

Zip: 84047

Start Date: Jul 23, 2008

End Date: Jul 23, 2008

Agenda: Call to Order Review of Board Members Absent Approve Letter of Intent Between Western Ag Credit and UCIP Review Draft Lease Agreement Between Western Ag Credit and UCIP Review Letter from PEHP Consider Approval of GBS Proposal/Contract Other Business Adjourn

ADA: In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Sonya White at the Utah Counties Insurance Pool, PO Box 760, Midvale, UT 84047, or call 800-339-4070, at least three days prior to the meeting.

Electronic Participation: Any Member of the Utah Counties Insurance Pool Board of Trustees may participate telephonically.

Other: Call to Order Review of Board Members Absent Approve Letter of Intent Between Western Ag Credit and UCIP Review Draft Lease Agreement Between Western Ag Credit and UCIP Review Letter from PEHP Consider Approval of GBS Proposal/Contract Other Business Adjourn

Emergency Meeting Notice: Yes

Send copy of notice to: sonya@ucip.utah.gov

[Back to main page](#)

7/23/08

2:00

Jerry
Bruce
Karla
Steve Wall
Kay
Wayne
Hymn
Steve White

Approve letter of intent will start
build-out, idea of what terms
of lease, Mark & Johnnie changes
their attny made so far lease not
to approve idea what terms are.

Time of Build out
Oct suggest can be done

no outclause for current lease

Jerry WAC lease commencement

~~ADD~~ Waive two months
2.1

Hymn WAC idea Jan 2009?

lease was pay rent once
build out complete?

amend

Worse case scenario cost
spreadsheet.
One mo security



Utah Counties Insurance Pool
Supporting Your Goals Since 1992

Over Budget WCS \$17233.75

Build-out already have architect
& contractors

CEO tot CFO Jan

Ready when our lease is up
mo. prior

Our lease here no out clause

7/22/08 letter in default of lease
actual damages loss of
production

Break-in Feb?

Still not replaced door
told us given up we have
to find someone

win 30 days terminate lease

Jerry have to look at lease

some luck in renting space
talk to them about possibility

coincide with our current lease.

Karla
why

7-yr lease - so many incentives
lower rate
built out
two



Utah Counties Insurance Pool
Supporting Your Goals Since 1992

Budget - 2008

Reserves? UAC
paid for ~~the~~ property invested
in prop.

Kay Lynn cost to build?
why even considered

Cost comparison

2015 \$807,278

Wynn

Board at Retreat
put up for sale

losing approx \$4000
year not having
money in the bank

Listed w/ Caldwell
last wk

Approve letter w/ chg commencement.
Coincide w/ term of current
lease

Jerry now
measure operating expenses \$6.00

Johnnie language in lease provide
for exceeding \$6.00 justification

Share in savings if
go below \$6.00

define general maintenance
" terms



Utah Counties Insurance Pool
Supporting Your Goals Since 1992

WCA wont have any problem clarifying
operating expense

Syrs Benefit of pay-out of geo-thermal?
lease ~~is~~ rate really great.

negotiate at time paid off geo-thermal

20 additional parking

50 total for training

\$18 office

\$12 training

total \$17.

Jerry 7.a confidential

changes.

no subject to
CRAWIA

Kay

expt entity
taking of property

~~WCA~~

store wall move
coordinate w/ current lease
or no earlier than
Dec. 1, 2008

Karla second
carried

wayne
obtained



Utah Counties Insurance Pool
Supporting Your Goals Since 1992

Johnnie 3 or 4 meeting w/ them
open to transport reserves
thought waiting for contract.

That is there position atty's
interpretation of PEHP Board's
fiduciary duty. There stance
if own ucip pool w/in PEHP
we give up all reserves
and come up with cash
to start our own pool.

CBS

Prior to June meeting
Wall introduced Johnnie
to CBS worked w/ SEV, DAV, UBIN
potentially help us with
given time line w/ benefit pool
able to enter w/ CBS if can do
1/1/09. Board action authority \$10,000
pulling together program

hymn - providing?
no coverage, no administration

Broker negotiating prices on
programs

This proposal is what they can provide
as far as services.

Professional consulting
Board discretion
if RFP.

They shouldn't charge us
make money off providers.
Karla, White



Utah Counties Insurance Pool
Supporting Your Goals Since 1992

Supporting Anne in her job.
Explaining Plans & options
Coordinating w/ Anne

\$17,000 for bmo

GrBS would get ~~pro~~ percentage of providers

Lynn what is the incentive?

1% we believed own pool 10/10/06
and ~~area~~ have own equity.

Enrollment & service that PEHP
doesn't do (Anne) \$5.00 PEHP pays
UCIP. ~~rate~~ should not have changed
back \$5 in premiums.

hunch w/ Steve Filton UCIP
find ways to work
together, provide services.
carries less expensive
w/ more services.

life, dental, optical far better
at lower cost than PEHP

OK to sell to our members
no ~~max~~ charge to UCIP
brings their exclusive arrangement
UCIP would get the
commission

economy of
scale

save ~~\$\$~~ ~~slp~~ \$5.00 a head

Real options working w/ UCIP
if not approve GrBS
lot of other options would
help w/ GrBS



Utah Counties Insurance Pool
Supporting Your Goals Since 1992

propositional bounty of services.

Karla ~~WDA~~ HSA only changed \$10 in last seven years

will consulting to get UCIP where need to be. Placing coverage no fee.

RFP process then takes away time in negotiations for 1/1/09

Board net change for 2009

RFP for broker 2010
Jan-Feb 2009

- premature to accept GBS proposal

Discuss at Aug 11 Board meeting.



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